SPEECH FROM THE THRONE

Delivered at the Opening
of the
Second Session
of the
Forty-first General Assembly
of the
Province of Newfoundland

Thursday, March 8, 1990

by
His Honour
The Honourable James A. McGrath P.C., K.St.J., LL.D.
Lieutenant-Governor

90-03893/

Mr. Speaker and Members of the Honourable House of Assembly:

I welcome you to this Second Session of the Forty-first General Assembly of the Province of Newfoundland.

On April 20th, 1989, the people of this Province gave My Government a mandate for change — one involving renewal and revitalization of our society, our economy and the way in which Government itself operates.

In My address to you on May 25th of last year, I outlined in some detail the manner in which My Ministers intend to address this great challenge during the life of this Assembly. In particular, I noted that priority attention would be given to economic reform, renewal of the educational system and revitalization of the health care system during the term of My Government's mandate. These three critically important areas of public responsibility constitute the building blocks to a physically, socially and economically healthy future for the whole of our society. Other areas of grave importance to the general welfare of the Province were also addressed in My Speech last year, together with new directions and alternatives for serving the needs of our people.

My Government remains committed to and wishes to reaffirm its overall objectives, policies and priorities that were presented to this Honourable House last May 25th. This is a bold and ambitious agenda and one which will take time to fully achieve. The problems and difficulties we currently face are deeply-rooted and addressing them will require strong leadership and fundamental change. But address them we must — the alternative is simply not acceptable.

Over the past ten months, My Ministers have taken the first steps toward the building of a better future for our people. Considerable progress has been made on all fronts. A multitude of new initiatives have been introduced by My Ministers, and in the First Session of the Forty-first General Assembly, My Government placed fifty-seven separate legislative proposals before this Honourable House for the consideration of all Members. This level of effort and action will continue and accelerate over the term of My Government's mandate.

Mr. Speaker and Members of the Honourable House of Assembly:

The fishing industry is the lifeblood of the Newfoundland economy. This industry is presently experiencing one of the most difficult periods in its recent history. Major groundfish quota reductions have led to severe dislocations in the economy of our Province.

We are faced with plant closures in single industry communities, the tie-up of a significant portion of our offshore fleet, and over the past two years thousands of Newfoundlanders have been thrown out of work at a time when our economy is not sufficiently strong to absorb the full impact of such employment reductions. While the offshore sector of the fishing industry has borne most of the impact of these quota reductions to date, it is clear that the inshore sector of the industry will not escape the fisheries resource crisis. The magnitude of the announced and projected quota reductions is in essence undermining the very structure of our economy, particularly our rural economy.

While the cause of and primary responsibility for addressing this crisis lies with the Federal Government, My Government is deeply concerned that we find the right solutions to the problems in the fishing industry. To this end, My Government has been engaged in extensive discussions with the Federal Government to find a lasting solution to the problems which have resulted from these resource declines. While the immediate needs of workers and communities most affected by the current crisis will be addressed on a priority basis, the primary objective of governments must be directed towards the building of a viable fishery over the longer term. New approaches will have to be adopted to address fundamental structural weaknesses in the fishery to ensure the evolution of a stable and competitive industry. My Government is fully prepared to co-operate with the Government of Canada in developing a comprehensive approach to achieve this objective.

My Government also fully recognizes that the objective of building a viable fishery must proceed hand in hand with the development and diversification of the entire Newfoundland economy. This will serve to broaden the Province's economic base and thereby lessen our dependence on the fishery as a whole. In the absence of such a broad economic strategy, the fishing industry will continue to be characterized by low productivity levels and excessive unemployment, and will not generate its full economic potential. My Government is hopeful that a formal agreement in these areas can be reached with the Federal Government as quickly as possible. The Province has already indicated to the Government of Canada that, within its financial capability, it is prepared to share in the costs of a comprehensive fisheries revitalization and economic diversification program.

My Government also remains committed to the principles of resource conservation and to a fisheries management approach that will reverse the decline in fish landings at the earliest possibility and which will permit the rebuilding of fish stocks within a reasonable timeframe. The long term interests of our people and the fishing industry must not be compromised by a resource management approach that does not address conservation concerns. This, by definition, means that a broadly based economic response program must be implemented to address the social and economic adjustments which will flow from the

stock rebuilding process. It also serves to emphasize the importance and urgency for the Federal Government to take immediate steps to end foreign overfishing in our waters, and to seek international approval to bring the Nose and Tail of the Grand Banks within Canadian fisheries management jurisdiction. Such measures will require the direct and personal involvement of the Prime Minister. My Ministers will continue to encourage that involvement.

Mr. Speaker and Members of the Honourable House of Assembly:

Since My last address to this Honourable House, My Government has proceeded to establish an Economic Recovery Commission. Its mandate is to identify programs and other measures that will contribute to a sustained reduction in the chronically high unemployment rate in the Province. The Commission also has been mandated to identify, develop and promote employment opportunities for the people of Newfoundland and Labrador by stimulating and fostering enterprise and economic development in all regions of the Province.

The Economic Recovery Commission and the Department of Development have recently submitted significant new proposals for a vehicle through which to accomplish these business and economic development objectives. This includes the restructuring of the Newfoundland and Labrador Development Corporation into a new Crown Corporation which will consolidate the existing activities of NLDC and certain functions of the Department of Development. The intent is to provide a single agency for all local development and business support programs offered by My Government. Emphasis will be placed on the expansion and development of small to medium sized enterprises through this new Crown Corporation, whose services will be delivered through a system of regional offices located across the Province, with accompanying decision-making being decentralized to the regions. This new agency will also provide an overall planning and co-ordination function for government departments, agencies and other organizations which have an impact on economic development in the regions. You will be asked to pass legislation to facilitate these proposals during the coming year as a first step in providing the infrastructure for the implementation of a broader program of economic diversification. Further initiatives emanating from the work of the Economic Recovery Commission will be announced over the next several months.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government remains committed to the Hibernia Project. As Canada's first offshore oil development, the Hibernia Project offers the opportunity to diversify the provincial

economy, enhance regional oil security and strengthen the Province's economic base. It will also provide the necessary infrastructure and technological capability to assist in maximizing local benefits from future offshore developments such as the Terra Nova and White Rose fields. While a successful conclusion to the current negotiations cannot be assured by the Province alone, My Ministers are hopeful that with the co-operation of the Federal Government and the oil companies involved, a final agreement on the Hibernia Project, acceptable to all parties, can soon be reached. It must be emphasized, however, that My Government is not prepared to enter into an agreement which does not assure to this Province an appropriate level and quality of industrial and employment benefits.

In this regard, My Ministers also wish to reaffirm their commitment to a major expansion and upgrading program at the Marystown Shipyard which will enable it to participate fully in Hibernia related industrial activity. This is a strategically important project for the Province, having the potential to generate substantial long term industrial and employment benefits from offshore developments generally. My Government intends to continue to press the Federal Government for an immediate release of monies from the Canada-Newfoundland Offshore Development Fund Agreement so that the required engineering and design work for the facility enhancement program at Marystown Shipyard can proceed without further delay.

Mr. Speaker and Members of the Honourable House of Assembly:

Over the past several months, My Ministers have been actively engaged in discussions with the Government of Quebec respecting the potential development of hydro electric resources in Labrador, including further developments at the Upper Churchill site. While these discussions are complex and difficult, My Government is prepared to continue to seek a negotiated arrangement with Quebec that will benefit both provinces, as long as there is a demonstrated willingness on the part of Quebec to pursue such discussions in a manner which recognizes the fundamental right of Newfoundland to fully benefit from and use these resources to meet the legitimate needs of its residents.

My Government also plans to continue its co-operative efforts with the Government of Canada on the funding of cost-shared economic and regional development agreements. A number of such agreements have been successfully concluded since the election of My Government on April 20th, 1989, including major initiatives focusing on rural development, Labrador development and forestry development. It is anticipated that further progress in other important areas can be achieved over the next several months.

In addition to the foregoing activities, My Government intends to continue to support existing and expanded military operations at Goose Bay and to pursue with the Federal Government the establishment of a NATO Tactical Weapons Training Centre at the Base. It is My Government's position, however, that these activities must be carried out in a manner which recognizes the legitimate concerns and interests of the native peoples in Labrador.

My Government intends to pursue new legislative initiatives in the mining and forestry sectors in this Session, to solidify and strengthen their current and future contributions to the provincial economy. New funding programs also will be proposed on a cost-shared basis with the Government of Canada in these areas.

Priority will also be placed on funding a comprehensive new development agreement with the Atlantic Canada Opportunities Agency, which will incorporate tourism marketing and promotional activities as well as major new thrusts in historic and cultural resource development. The potential for increased year round tourism activity constitutes one of the economic bright spots in the Province, and My Government intends to vigorously pursue these opportunities during the term of its mandate.

The report of My Government's recently established Task Force on Agrifoods will be available later this year. This work is expected to provide a solid foundation upon which to pursue more aggressive and effective policies and programs in the agricultural sector — a sector which My Ministers believe has been wrongly ignored and which is largely underdeveloped at the present time.

In recognition of the increasing importance played by science and technology in the changing global economy, My Ministers will soon be revealing a broad statement of policy on science and technology development in Newfoundland. It is anticipated that this policy will focus My Government's support for research and development in a number of priority areas in the Province, and will serve to stimulate a wide variety of new research and development initiatives so that we may better prepare ourselves for the technological challenges of the decade and century ahead.

Mr. Speaker and Members of the Honourable House of Assembly:

The process of economic development is one which has, until recent times, generally proceeded without the full extent of checks and balances necessary to ensure the maintenance of a healthy environment. Our lack of extensive industrialization in Newfoundland has meant that, compared with most other jurisdictions, our physical

environment has not been unduly threatened to date. In recent years, however, My Government, along with other governments and individuals around the world, have come to recognize the important linkages among ecosystems and the cumulative and wide ranging effects of pollution. As well, the potential exhaustion of our natural renewable resources constitutes another form of environmental threat to which this Province's resource-based economy is particularly vulnerable, as has been clearly shown in the current fisheries crisis.

My Government has recognized the importance of these threats and in My last address to this Honourable House, I announced that My Ministers would develop a conservation strategy to ensure the protection of our environment and our renewable resources. To this end, My Government has established an Executive Committee on Sustainable Development which will, in part, ensure that the management and development of our natural resources is carried out in an integrated and sustainable manner. In addition, My Government has taken steps toward the establishment of a Newfoundland and Labrador Round Table on Environment and Economy — a forum of senior decision-makers and leaders in the Province who will be mandated to identify, advance and promote strategies to better integrate economic and environmental planning, as a means of ensuring that our economic development is indeed environmentally sustainable. Appointments to the Round Table will be announced in the very near future.

Mr. Speaker and Members of the Honourable House of Assembly:

At the outset of My address, I noted that My Government has attached high priority to the renewal of the education system and to the revitalization of the health care system. I am pleased to report at this time that substantive progress has been made in these critical areas over the past ten months, notwithstanding the limited fiscal flexibility that currently restrains My Government and the negative financial impacts resulting from a weakening commitment by the Federal Government to education and health care across the nation.

On the educational front, My Government has implemented a series of initiatives designed to improve the quality and accessibility of educational opportunities in all areas of the Province. In this regard, operating grants to school boards were increased in 1989. School tax equalization grants were also enhanced, from $4.5 million in 1988 to $10 million in 1989, to assist in reducing disparities between the level of services available in urban and rural areas. A pilot project to deliver advanced mathematics courses through distance education technology has been expanded from thirteen to twenty small rural schools. Funding for the Teacher Aide Program for severely handicapped students has been increased, as well as bursaries for students in remote communities who must travel to larger

centres to complete their high school education. A concerted effort to address the Province's acute illiteracy problem was also launched in 1989.

In a time of severe fiscal restraint, these and other initiatives introduced over the past year are a direct testament to My Government's commitment and determination to address on an urgent basis some of the past failings and current inequities in the primary, elementary and secondary school system. The time has come, however, to review the performance of our basic education system and put in place specific measures to improve the efficiency and cost-effectiveness of the overall system. In this regard, My Government is pursuing its assessment of the existing school tax system to determine whether it should be abolished altogether or be substantially reformed to address on a more equitable basis local education financing needs. These and other appropriate measures will be adopted during the term of My Government's mandate to ensure that our people in all areas of the Province will be able to participate fully and fairly in economic and social renewal in the Province.

At the post-secondary level, recent proposals have been made by My Government, in a White Paper, to greatly improve the equality, excellence and efficiency of the overall post-secondary education system. The successful implementation of these bold new initiatives will ensure that our citizenry is well prepared for the challenges that face this Province and indeed Canada as a whole in the next century.

With respect to the health care system, My Government has already taken the first necessary steps to alleviate the considerable pressure that has been exerted on the system in recent years. In this regard, planning is now underway to develop a framework for a comprehensive new community home care program. As well, funding was provided in the 1989 Budget for a significant increase in the number of personal home-care beds in the Province. Special funding was also allocated in the 1989 Budget to enable hospitals to reopen high priority beds in a number of locations and to maintain and develop key specialty services in regional and provincial health care facilities. Additional resources were also provided in 1989 for significant adjustments in the funding for road ambulance services, and in the past year My Government embarked on a program to provide a substantial increase in nursing and resident care positions throughout the Province.

These are significant and positive measures, reflective of My Government's determination to achieve progress in the enhancement of the health care system during the early years of its mandate. Within the limits of overall fiscal responsibility, further progress will be made in the months and years ahead.

Mr. Speaker and Members of the Honourable House of Assembly:

In recognition of the important influence that a productive and amicable labour relations environment has on economic development and worker productivity in the Province, My Government is determined to address a host of difficult issues that have emerged in the labour relations area. Principal among these issues is the matter of essential workers in the public sector. I am pleased to report to the Honourable House today that My Government intends to introduce legislation in the immediate future that will substantially amend The Public Service (Collective Bargaining) Act, commonly known as Bill 59, and bring it under the ambit of The Labour Relations Act. The specific provisions of these amendments will fully reflect the consensus that has been reached by labour and management on the resolution of this long-standing and emotionally charged issue. In this context, My Ministers also wish to reaffirm their confidence in and commitment to the collective bargaining process in the public sector, notwithstanding the difficult financial circumstances currently faced by My Government.

In addition to substantial reform to the public sector collective bargaining process, My Government also plans, in this Session of the House of Assembly, to introduce significant amendments to The Fishing Industry (Collective Bargaining) Act to address particular difficulties that have emerged in this important sector of our economy.

Mr. Speaker and Members of the Honourable House of Assembly:

The work of the Royal Commission into the Response of the Criminal Justice System to Complaints, otherwise known as the Hughes Inquiry, will be concluded later this year. My Government will respond promptly to the findings and recommendations that may be presented in the Commission's Report, to ensure that public confidence in the criminal justice system of this Province is fully restored to the position it rightfully demands.

My Ministers are also sensitive to the revelations made during the work of the Commission respecting the extent of the child abuse problem which it would appear may exist in our Province. Without attempting to pre-judge the findings of the Inquiry, My Government considers it appropriate to adopt preliminary measures at this time to ensure that we prevent to the maximum extent possible sexual and other forms of abuse of children. As was noted in My Speech to you last year, it is My Government's intent to address this disturbing problem primarily through the enhancement of "front-line" services offered by the Departments of Social Services and Justice. Details will be announced in this Honourable House in the coming weeks and further action may be necessary following the receipt and consideration of the Report of the Royal Commission. All Members of this

House can be assured that My Government attaches great importance to the family as an institution in our society, and on the need to protect and provide for the basic needs of our children. My Government is moving forward on this matter and is resolved to come to grips with this problem.

Mr. Speaker and Members of the Honourable House of Assembly:

During the course of this Second Session of the Forty-first General Assembly, My Government will be adopting new policy directions to improve and provide for fairness in the administration of municipal government. To this end, an assessment of amalgamation as a possible solution to a more efficient and effective form of local administration in some municipalities is underway.

My Government also intends to ensure that a reliable, efficient and equitable transportation system is developed and maintained for the benefit of our people in all areas of the Province. In this regard, My Government recently announced the construction at Marystown Shipyard of a new $24 million marine ferry for the Fogo Island area. This will address a long-standing transportation problem facing the people of that area of the Province, and will at the same time provide employment and economic benefits to the people of the Marystown area. Further initiatives in the transportation sector will be announced in the months and years ahead.

My Government fully recognizes the important contribution of the arts community of this Province to our cultural and economic development. For several months now, a Provincial Arts Policy Committee has been meeting with artists throughout the Province to identify new policy directions that will enhance the vitality of this important sector of our society and ensure that funds are directed to program areas of greatest benefit. My Ministers look forward to receiving the Committee's final report later this month and will be giving it serious consideration at the earliest opportunity.

My Government remains committed to addressing the particular needs and problems confronting the women and the youth of our Province. Specific measures will be introduced over the course of My Government's mandate to alleviate these problems.

In conjunction with the Federal Government, with which government constitutional responsibility resides, My Ministers will continue to co-operate in addressing the legitimate concerns of our native peoples through land claims negotiations.

Mr. Speaker and Members of the Honourable House of Assembly:

As part of My Government's comprehensive approach to economic and social renewal in the Province, My Ministers have achieved important successes in streamlining the operation of Government. Over the past months this Honourable House has approved legislation reducing the number of Government Departments, thus providing for a more efficient Government operation and a more effective and responsive Executive Council. The goal is a simple one — to eliminate waste and unproductive activity in order to free resources to provide more direct benefit to our people. This is particularly important in consideration of the fact that the existing financial condition of the Province is not strong and there are few additional opportunities to raise new revenues to support the myriad of legitimate and pressing needs confronting My Government. This overall situation has been further exacerbated by the recent Federal Budget and other actions of the Federal Government which have had the effect of placing even greater demands on our limited resources. The process of streamlining and improving Government operations will therefore continue, with specific additional measures to be announced in the next Budget to be tabled in this Honourable House.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government has received the confidence of the people of Newfoundland and Labrador at a time in our history when many are questioning the structure of the federation of which we are a part, and the place of this Province in that structure. These are important questions and My Government has joined the national debate on these matters with constructive proposals for fundamental change. Indeed, it is My Government's view that the process of constitutional reform is vital if Newfoundland is ever to become a full participating province of Canada, with public services, quality of life and economic opportunity comparable with that currently enjoyed by Canadians in other provinces.

My Government is fully cognizant of its responsibilities to ensure an adequate level of employment and economic opportunities and an acceptable level of services and well being for our people. It is for this reason, and in recognition of our responsibilities to the nation as a whole, that My Government strongly objects to certain provisions of the Meech Lake Accord. The social and economic deprivation historically suffered by certain provinces in this country demand that any amendment of our constitution be such as to ensure that the smaller provinces will enjoy the fairness, balance and equality of opportunity which My Government has pledged for the people of Newfoundland and Labrador. Under no circumstances can we ever accept changes that would exacerbate the present situation by entrenching forever the regional economic disparities that now exist in Canada.

Accordingly, at the First Ministers Conference last November, My First Minister took the position that the Meech Lake Accord must be substantially changed if this Province is ever to attain its rightful position as a full participating member in the federal state of Canada and shed its status as a have not province. Notwithstanding this position, My First Minister agreed to refrain from immediately seeking recision of the resolution of approval of the Meech Lake Accord which was passed in the prior General Assembly, in order to facilitate further discussions on constitutional reform. This Honourable House subsequently endorsed the position and action of My First Minister. My Government is satisfied that not only does its position on the Meech Lake Accord enjoy the widespread support of our citizens, it enjoys as well the support of a substantial majority of Canadians.

While there have been extensive discussions over the past months on constitutional reform, the Federal Government and certain provinces have not as yet indicated a willingness to change any part of the Meech Lake Accord. On the contrary, all indications are that their position remains that the Meech Lake Accord must be approved without any change. Accordingly, you will be asked to pass, in the manner authorized by Section 46 of The Constitution Act (1982), a resolution to rescind the approval of the Meech Lake Accord given by the Fortieth General Assembly.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government plans to place a number of important pieces of legislation before you this Session in addition to the legislative measures already referred to in this Speech.

In My address to you last year, My Government committed itself to the task of reforming the electoral process in this Province to ensure that it is fair and open to all citizens who wish to seek public office. Work has progressed steadily on the review of existing legislation and on research into reforms which have recently been introduced in other provinces and at the federal level. This work has now been completed and the new legislation is currently being drafted for introduction in this Session of the House of Assembly.

A new Act respecting the Office of the Auditor General will be introduced to confirm the independence of that Office and to ensure that public monies expended by My Government are made more fully accountable to this Honourable House.

Amendments to The Financial Administration Act will be introduced to improve existing legislation relative to the financial management of the affairs of My Government.

Revisions to The Electrical Power Control Act will be introduced to ensure that My Government has the legislative wherewithal to effectively regulate the generation, distribution and supply of all electricity in the Province, consistent with the needs of its residents.

A full listing of My Government's legislative agenda for this Session of the House of Assembly will be tabled at the earliest opportunity so that all Honourable Members can properly prepare for the upcoming proceedings.

During the course of this Session, you will also be asked to grant supply to Her Majesty.

Mr. Speaker and Members of the Honourable House of Assembly:

I invoke God's blessing upon you as you commence your labours in this Second Session of the Forty-first General Assembly. May Divine Providence guide you in your deliberations.